

**Orange County Public Schools
Audit Advisory Committee
Minutes of Meeting June 5, 2014**

The meeting was called to order at 9:10 a.m. by Chairman Jim Ingersoll. Committee members Debi Roth and Scott Funston were present. Also present were Linda Lindsey, Senior Director, Internal Audit, OCPS Finance Director Sarah Graber, representatives of Ernst & Young and OCPS General Counsel Woody Rodriguez.

Approval of Minutes

Minutes of the meeting of April 8, 2014 were approved as submitted.

Pre-Audit Meeting with External Auditors – E&Y

John DiSanto of E&Y began the presentation with a discussion of the audit scope and current status of the audit. The audit scope is the same as in recent years. E&Y has completed most of its planning procedures. The audit of IT general controls is still underway.

Members of the committee inquired about attack and penetration testing. E&Y does not perform this work as part of their audit. Ms. Lindsey informed the committee that this testing is underway at present by one of the outside firms engaged earlier this year. Results should be available at the committee's next meeting.

Mr. DiSanto discussed the audit timeline, new accounting and auditing developments, the audit plan, fraud considerations and required communications.

There was discussion about implementation of the new pension standard and what information the Florida Retirement System might provide to the district and when. The committee also discussed compensated absences and asked that Ms. Lindsey send information to them about the district's policy and limitations on accumulation of compensated absences.

Entity-Wide Risk Assessment and Proposed Audit Plan for FY 14-15

Ms. Lindsey reviewed the results of this year's risk assessment. She noted that some areas were consistently higher than others and that a couple of audits from the current plan will be carried forward into the next year. The committee asked if all departments had participated as it is their goal that we obtain 100% participation. Ms. Lindsey indicated that all but one department had responded by the deadline. The remaining department has stated that they intend to complete their risk assessment and return it soon.

The committee asked about charter schools and how they might be address in the planned audit of the School Choice Office. Ms. Lindsey explained that the audit of School Choice would not include any audit of specific charter schools. The audit would address operational procedures of the School Choice Office itself which include charter schools, magnet programs, Orange County Virtual School, home education, alternative education and others.

The committee discussed the proposed audit plan for the coming fiscal year and, after discussion, voted to recommend its approval to the School Board.

Goals for Senior Director

Mr. Ingersoll indicated that he would like the committee to discuss goals for Ms. Lindsey for the coming year as part of her overall performance evaluation. The committee discussed several possible areas of focus. Ms. Lindsey was asked to take those thoughts and bring her suggestions to the next meeting.

CAE Report

Ms. Lindsey updated the committee on the following matters:

- The MWBE firm that Carr, Riggs & Ingram uses in conducting the school internal accounts audit has closed. CRI has taken steps to find another firm and expects to proceed with this year's audits without delay or disruption.
- She will be working on the Internal Audit Annual Report over the next month and would like suggestions from the committee as to content and format.

The meeting was adjourned at 11:11 a.m.

The next meeting will be August 26 at 9:00 a.m.

Among the agenda items to be discussed will be charter schools audits, goals for the Senior Director and the Internal Audit Annual Report.